

## Message Text

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11/47

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 EA-10 IO-10 ISO-00 AID-05 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

OPIC-06 SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-02 /124 W

----- 022007

R 301056Z JUN 75

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 2172

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMEMBASSY GABORONE

AMCONSUL JOHANNESBURG

AMEMBASSY LONDON

AMEMBASSY MASERU

AMEMBASSY MBABANE

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USDEL MTN GENEVA

USMISSION GENEVA

UNCLAS PRETORIA 2429

C O R R E C T E D C O P Y (MRN SHOULD READ 2429 VICE 2410)

E.O. 11652: N/A

TAGS: EFIN, SA

SUBJ: FINANCE MINISTE'S STATEMENT ON RAND DEVALUATION

REF: (A) PRETORIA 2115 (B) PRETORIA 2384

1. IN ANNOUNCING DEVALUATION OF RAND FROM \$1.47 TO \$1.40 FINANCE  
MINISTER ALSO ANNOUNCED ABANDONMENT OF POLICY OF "INDEPENDENT  
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MANAGED FLOATING", I.E. POLICY OF MAKING FREQUENT SMALL CHANGES

IN RAND/DOLLAR RATE IN ORDER TO MAINTAIN APPROXIMATELY STABLE  
WEIGHTED AVERAGE RATE AGAINST CURRENCIES OF TRADING PARTNERS.  
NEW POLICY IS TO MAINTAIN \$1.40 MIDDLE RATE FOR LONG PERIODS,  
MAKING CHANGES "IF CONSIDERED ESSENTIAL IN THE EVENT OF ANY  
BASIC CHANGE IN DOMESTIC OR INTERNATIONAL ECONOMIC CIRCUMSTANCES".

2. STATEMENT SAYS STRENGTHENING OF DOLLAR SINCE MARCH AND  
WEAKENING OF STERLING SINCE APRIL HAS CAUSED APPRECIATION OF  
AVERAGE EXTERNAL VALUE OF RAND AND HAD CREATED EXPECTATION OF  
DEVALUATION AND CONSEQUENT ADVERSE EFFECT OF "LEADS  
AND LAGS" ON BALANCE OF PAYMENT.

3. STATEMENT POINTS OUT THAT NEW MIDDLE RATE OF \$1.40, PUBLIC  
BUYING RATE OF \$1.4035 AND PUBLIC SELLING RATE OF \$1.3965 RESTORE  
THE RAND/DOLLAR RELATIONSHIP TO THAT WHICH EXISTED BEFORE THE  
1971 SMITHSONIAN REALIGNMENT.  
BOWDLER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CURRENCY STABILITY, DEVALUATIONS, RAND (CURRENCY)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975PRETOR02429  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750228-0855  
**From:** PRETORIA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t1975063/aaaaacll.tel  
**Line Count:** 78  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Review Content Flags:**  
**Review Date:** 28 FEB 2003  
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EO Systematic Review  
06 JUL 2006

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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FINANCE MINISTE'S STATEMENT ON RAND DEVALUATION  
**TAGS:** EFIN, SA  
**To:** STATE  
**Type:** TE  
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